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BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION SERVICE CHANGES, 2011

Docket No. N2012-1

INSTITUTIONAL RESPONSES OF THE UNITED STATES POSTAL SERVICE TO GREETING CARD ASSOCIATION INTERROGATORIES REDIRECTED FROM WITNESS EMILY ROSENBERG (GCA/USPS-T3-3, 4, 6 AND 30)

The United States Postal Service hereby files responses to the above-listed interrogatories of the Greeting Card Association dated February 8, 2012. The interrogatories have been redirected from witness Rosenberg to the Postal Service for institutional response. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO GREETING CARD ASSOCIATION INTERROGATORY REDIRECTED FROM WITNESS ROSENBERG

GCA/USPS-T3-3

On page 1, lines 20-22, you state that, apart from 21 Network Distribution Centers, the current mail processing and distribution networks are set up to support the overnight delivery standard for First-Class Mail (FCM)

(a) When were each of the Network Distribution Centers set up, and what mail classes were or are they designed to support?

(b) For all Standard letter mail that is drop shipped, what percentage of it is delivered overnight once it is entered directly at the destination delivery unit?

(c) Please list by year and type the annual purchases of mail processing and distribution equipment that were purchased since the onset of Internet diversion of FCM that were designed to support overnight delivery of First-Class Letter Mail (FCLM). For purposes of this question date the onset of diversion as PFY 1994.

RESPONSE

A. The Network Distribution Centers that formerly were the Bulk Mail Centers were set up in the 1970s. They were set up to support standard mail and package services.

B. There is a *de minimus* amount of standard letter mail entered at a DDU. There is no dropship discount for the Standard letter mail at the DDU, and the Postal Service does not maintain such information.

C. Please see response to APWU/USPS-T9-12(c).

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO GREETING CARD ASSOCIATION INTERROGATORY REDIRECTED FROM WITNESS ROSENBERG

GCA/USPS-T3-4

(a) How was the overnight delivery standard for FCM managed before DPS? In answering, please describe as fully as possible the constraints, if any, which that standard imposed on incoming processing windows.

(b) Did you develop, or have provided to you, information on how many fewer carriers are there today as a result of reducing in-office carrier time due to DPS? If so, please provide all such information, or redirect the question to a witness who can do so.

(c) Did you develop, or have provided to you, information as to the average reduction in hours per day of carrier in-office time as a result of DPS processing? If so, please provide all such information, or redirect the question to a witness who can do so.

(d) Did you develop, or have provided to you, information as to the use(s) made of the extra carrier time from (c) (for example, increasing the number of street time stops per carrier and/or reducing paid hours per carrier)? If so, please pro-vide all such information, or redirect the question to a witness who can do so.

RESPONSE

A. Prior to DPS we processed letter mail on MLOCR and BCS machines at processing plants. Overnight First-Class Mail from the plant's local originating collection boxes and carriers were processed through an outgoing operation, facer canceller and then in automation, usually on an MLOCR (multiline optical character reader, and then as incoming primary through a BCS (bar code sorter). Bar code sorters would also be used separate mail to the incoming secondary level for dispatch to stations branches and delivery units in the local delivery area of the host plant.

As this mail was cleared through the outgoing operations and was subsequently run throughout the night on the BCS machines and dispatched multiple times on several transportation runs, usually an early trip and then a dispatch of value (DOV) to the delivery units for carrier sort

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO GREETING CARD ASSOCIATION INTERROGATORY REDIRECTED FROM WITNESS ROSENBERG

RESPONSE to GCA/USPS-T3-4 (continued)

and delivery. The only constraint on the operation was the First-Class Mail overnight (O/N) from another overnight trading partner/plant. However, with multiple runs of incoming secondary mail processed on BCS machines, as long as the incoming FCM from the overnight trading partner was received before the DOV, FCM O/N service was preserved. Today, in DPS processing, in order to provide mail in carrier sequence, we must run all available service committed mail in the first pass operation before we can re-run mail in the second pass operation.

Before MLOCR and BCS machines, the Postal Service utilized a mechanized sort with MPLSM (multi-positional letter sorting machines) machines. Similar to the MLOCR and BCS processing, destinating carrier route mail was processed and dispatched in batches, and could be dispatched on multiple trips in multiple trays. Again the process did not require today's process to run all available service committed mail in the first pass operation before we re-run mail in the second pass operation.

B. Witness Rosenberg did not develop nor was she provided information on the impact of reducing in-office carrier time. Changes in mail processing, not delivery, are at the heart of service changes this docket.

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO GREETING CARD ASSOCIATION INTERROGATORY REDIRECTED FROM WITNESS ROSENBERG

RESPONSE to GCA/USPS-T3-4 (continued)

C. See the response to subpart B. Witness Rosenberg did not develop nor was she provided information on changes in carrier in-office time as a result of DPS processing. No analysis of carrier in-office costs of the sort requested in this question was performed by t he Postal Service for purposes of this docket.

D. See the responses to subparts B and C. Witness Rosenberg did not develop nor was she provided information of the sort described in this question. No such analysis was performed for purposes of this docket.

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO GREETING CARD ASSOCIATION INTERROGATORY REDIRECTED FROM WITNESS ROSENBERG

GCA/USPS-T3-6
On page 2, lines 9-11, of your testimony you state that the unused capacity of DBCS "can only be reduced through the relaxation of service standards…". Couldn't the current underutilization have been significantly reduced by buying fewer machines in light of declining FCM volume and where applicable gradually deploying or re-deploying them to effect a more rational network? If your answer is anything other than an unqualified "yes", please fully explain your answer.

RESPONSE

It is important to note, the Postal Service has not made significant DBCS equipment purchases since the volume decline. The growth of DBCS mail processing equipment was commensurate with the volume increases the Postal Service experienced. Those purchases were necessary in order to process the mail volume based on the appropriate service standard.

Volume is only one constraint within the DPS processing step. The number of delivery points is also a constraint.

Consider this hypothetical example. There are 2 zones processed on two DPS schemes, each requiring 2 hours of first pass sequencing, and 2 hours of second pass sequencing. That requires a total of 4 hours or processing time. Due to the current overnight service standards, let us assume we begin first pass at 01:30 – 03:30, and we run second pass from 04:00 – 06:00. These 2 zones must also be processed on two different machines due to the number of delivery points. Even if volume were to decline by 50 percent in this example, that would require these same two machines, albeit running shorter windows. Even with this large of a

RESPONSE to GCA/USPS-T3-6 (continued)

decline, due to the fact that they must be processed on separate sort programs due to the total number of delivery points, they cannot be processed on the same machine due to the overnight service time constraints, and therefore, will not require fewer machines. In an environment of 50 percent less volume across these two zones, each would require 1 hour of processing. If we assume they cannot start until 01:30, because we must wait for the volumes to be available to be processed, the first zone would run from 01:30 – 02:30, and then changeover to second pass from 03:00 – 04:00. If we tried to then run the second zone after that, it would not be completed in time for the carriers, i.e., the second zone would have to run first pass from 04:30-05:30 and then second pass from 06:00-07:00, again, one hour later than required. So even in an environment of significant volume declines, due to the need to delivery point sequence, and the constraint of delivery points, the Postal Service could not have been “significantly reduced by buying fewer machines in light of declining FCM volume."

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO GREETING CARD ASSOCIATION INTERROGATORY REDIRECTED FROM WITNESS ROSENBERG

GCA/USPS-T3-30

On page 9, line 1, of your testimony you state "it was assumed a 53 foot truck would be utilized." For all owned and leased trucks for network transportation, please provide a table showing: (a) each size of each truck (expressed in length and cubic capacity) owned or leased for network transportation, and (b) the number of such trucks in use.

RESPONSE

USPS Owned Trailer Inventory

QUANTITY	LENGTH	CUBIC CAPACITY
1,479	38	3,800
2	22	2,024
231	28	2,576
503	38	3,496
9	24	2,208
1	34	3,128
9	28	2,688
18	28	2,800
184	33	3,036
17	48	4,608
213	48	4,800
65	48	5,184
39	53	5,300
102	53	5,724
66	32	2,944
761	45	4,500
5	45	4,140
380	45	4,860
4,084		

USPS Leased Trailers

QUANTITY	LENGTH	CUBIC CAPACITY
89	28	1650
9	32	1650
319	40	2400
1533	45	2700
3373	48	2800
1658	53	3180
6981		